

SUMMARY HISTORY

State Capital Appropriation and Montgomery County Revitalization Grant

In 1999, the City received a capital appropriation in the amount of \$800,000 from the State of Maryland for “revitalization projects including but not limited to lighting, streetscapes, landscaping, and facade upgrades.” The appropriation was contingent upon the identification of matching funds by the City of Takoma Park. Funds in the amount of \$800,000 (\$200,000 CDBG and a \$600,000 grant) were committed by Montgomery County for this purpose the following year.

State and County grant funds were to be used for a number of economic development projects involving streetscape improvements along SHA roadways in several neighborhood commercial areas - Flower/Piney Branch Road, Eastern/New Hampshire Avenue, Erie / Flower Avenue, Carroll Avenue/ and Lee Avenue. The projects were proposed as a mean of addressing needed improvements not included in State Highway Administration’s immediate work plan.

Following approval of the appropriation and the award of grant funds by Montgomery County, we were advised by the Department of General Services that the proposed projects were an ineligible use of funds as the improvements were located within the state right of way. Further complicating the situation was language included in the Scope of Services developed for the county grant which required that the projects must “proceed in conjunction with Maryland State Highway Administration’s improvements to the road bed and curb and gutter replacement.” None of the SHA projects included in the County grant agreement - MD410, New Hampshire Avenue, and Old Town - have been completed as of this date.

The City, in response, began working with SHA and the General Administration Services Staff in 1999 to develop an alternative project listing for the approved state and county funds. The revised project listing was submitted to the state for authorization. In October 2002, after roughly eleven months of requesting approval, we received written authorization from the General Administration Services Office allowing the expenditure of matching funds on the revised project listing.

During this period, the City spoke with County and State staff, advising them of the amended project listing, receiving verbal assurance that the activities would be eligible for both the state and county grants. The projects were initiated to ensure the timely expenditure of funds. Property on Flower Avenue / Piney Branch Road were purchased, the Maple Sherman streetscape improvements were completed, and contracts for design work for the Laurel Avenue streetscape project and the Metropolitan Branch Trail were executed. A total of \$372,625 in funds were expended in anticipation of receipt of the state authorization and the release of county funds.

The process to expend the state allocation and the county grant has been lengthy and fraught with misunderstanding and poor timing: the State’s determination that allocated bond funds could not be expended on the originally proposed projects; the linkage of the expenditure of

county grant funds with the commencement of delayed SHA projects; the difficulty of obtaining written authorization for the revised project list; the City's lack of understanding that expenditures made prior to the amendment of the county grant agreement would not be reimbursed; and the City's failure to forward the State authorization for the use of matching funds in a timely manner, causing the County grant to expire.

The following is an abbreviated history of the State Capital Appropriation and the Montgomery County Matching Grant:

July 1998	Capital appropriation approved by Maryland Legislature for FY99
March 1999	City request for \$600,000 in matching funds forwarded to County Council for approval
April 1999	City notified by Department of General Services that project listing was ineligible as proposed. Discussions with SHA staff to review proposed projects initiated.
May 15, 2000	Revised project listing submitted to Maryland Historical Trust for review
May 16, 2000	MC Contract #0763000098AA executed by Montgomery County DHCA
July 6, 2000	Capital Projects Grant Agreement executed by Board of Public Works
November 30, 2001	Request for written authorization to proceed with revised project listing submitted to Maryland Department of General Services
April 15, 2002	Request for extension of MC Contract and amendment of eligible projects submitted to Montgomery County DHCA
April 29, 2002	MC Contract amended, term extended to December 16, 2002
May 9, 2002	Request for written authorization to proceed with revised project listing resubmitted to Maryland Department of General Services
August 21, 2002	Authorization from Maryland Department of General Services to proceed with Metropolitan Branch Trail project received by City
September 23, 2002	Request for written authorization to proceed with revised project listing resubmitted to Maryland Department of General Services
October 1, 2002	Authorization from Maryland Department of General Services to proceed with Flower and Piney Branch Road, Old Town Improvements and Maple/Sherman Avenue projects received by City
December 30, 2002	Request for amendment of MC Contract to include revised project listing

December 31, 2002	City notified that MC Contract had expired
January 8, 2003	Request for reactivation of MC Contract submitted by City
February 18, 2003	City notified MC Contract cannot be reactivated and funds reimbursed
March 7, 2003	Authorization from Maryland Department of General Services to proceed with proposed street improvements received by City
March 7, 2003	Meeting with Montgomery County DHCA to review options
March 11, 2003	City notified that MC Contract will not be reactivated